

# LYNCHBURG CITY COUNCIL

## Agenda Item Summary

MEETING DATE: **November 26, 2002**

AGENDA ITEM NO.: 9

CONSENT: **X**

REGULAR: **X**

CLOSED SESSION:  
(Confidential)

ACTION:

INFORMATION:

ITEM TITLE: **Industrial Development Authority Request Regarding Refunding of Prior Bonds**

### RECOMMENDATION:

Adopt a Resolution approving the refunding of prior bonds to assist in the financing and the equipping of a commercial dairy.

### SUMMARY:

The Kroger Co. has requested the Industrial Development Authority to issue its industrial development revenue refunding bonds in an amount not to exceed \$1,000,000 to assist in the financing and the equipping of a commercial dairy. Approval of the proposed issuance of the Bonds does not constitute an endorsement of the Bonds to a prospective purchaser of the credit-worthiness of the project, the applicant, or the financial viability of the project.

### PRIOR ACTION(S):

None

### BUDGET IMPACT:

None

### CONTACT(S):

William E. Hunt, Jr.                      847-1732

### ATTACHMENT(S):

- † Resolution
- † November 11 Letter/Attachments

REVIEWED BY: lkp

## RESOLUTION

WHEREAS, the Industrial Development Authority of the City of Lynchburg, Virginia (the "Authority"), has considered the application of The Kroger Co., an Ohio corporation (the "Applicant") for the issuance of the Authority's industrial development revenue refunding bonds in an amount not to exceed \$1,000,000 (the "Bonds") to refund the Authority's outstanding \$1,000,000 Industrial Development Revenue Refunding Bonds (The Kroger Co.), Series 1991, dated as of October 1, 1991 (the "Prior Bonds"), the proceeds of which refunded an earlier issue of bonds, which were used to finance and equip a commercial dairy (the "Project"); and

WHEREAS, the refunding of the Prior Bonds will assist the applicant in maintaining a dairy production facility located at 2801 Fort Avenue in the City of Lynchburg, Virginia; and

WHEREAS, the Authority has requested the City Council (the "Council") of the City of Lynchburg, to approve the issuance of the Bonds to comply with Section 15.2-4906 of the Code of Virginia, as amended (the "Act"); and

WHEREAS, in order to issue the Bonds, it is not necessary to conduct a public hearing under the Internal Revenue Code of 1986, as amended, as a public hearing was properly conducted on August 22, 1991; and

WHEREAS, a copy of the Authority's resolution approving the issuance of the Bonds, adopted on October 31, 2002, subject to terms to be agreed upon, a summary of any comments expressed during consideration of the resolution of the Authority, and a fiscal impact statement required by Section 15.2-4907 of the Act have been filed with the City Council of the City of Lynchburg;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF LYNCHBURG, VIRGINIA:

1. The Council approves the refunding of the Prior Bonds in order to refinance the Project, and approves the issuance of the Bonds by the Authority for the benefit of the Applicant, as required by Section 15.2-4906 of the Act.
2. The foregoing approval of the proposed issuance of the Bonds does not constitute an endorsement of the Bonds to a prospective purchaser of the credit-worthiness of the Project or of the Applicant, or the financial viability of the Project. As required by Section 15.2-4909 of the Act, the Bonds shall provide that neither the Commonwealth of Virginia nor the City of Lynchburg, Virginia nor the Authority shall be obligated to pay the Bonds, or the interest thereon, or any other costs incident thereto, except from the revenue and monies pledged therefore, and further, that neither the faith and credit nor the taxing power of the Commonwealth of Virginia, nor the City of Lynchburg, Virginia, nor the Authority shall be pledged thereto.
3. This resolution shall take effect immediately upon its adoption.

Adopted:

Certified:

\_\_\_\_\_  
Clerk of Council

237P

**INDUSTRIAL DEVELOPMENT AUTHORITY  
OF THE  
CITY OF LYNCHBURG, VIRGINIA**

POST OFFICE BOX 60  
LYNCHBURG, VA 24505

TEL (434) 847-1732  
FAX (434) 847-2067

November 11, 2002

Honorable Mayor and Members of the  
Council of the City of Lynchburg  
c/o Mr. Kim Payne, City Manager  
P. O. Box 60  
Lynchburg, VA 24505

Re: **Industrial Development Authority of the City of Lynchburg,  
Virginia, proposed financing for The Kroger Co.**

Dear Mr. Mayor and Members of Council:

The Kroger Co. (the "Applicant") has requested the Industrial Development Authority of the City of Lynchburg, Virginia (the "Authority"), issue its industrial development revenue refunding bonds in an amount not to exceed \$1,000,000 ("Bonds") to assist the Applicant in currently refunding the outstanding principal amount of the Authority's \$1,000,000 Industrial Development Revenue Refunding Bonds (The Kroger Co.), Series 1991, dated as of October 1, 1991, the proceeds of which were used to refund the outstanding principal amount of the Authority's \$1,000,000 Industrial Development Revenue Bonds (The Kroger Co. Project), dated as of November 15, 1981, the proceeds of which were used to assist in financing and the equipping of a commercial dairy, located in the City of Lynchburg, Virginia (hereinafter the "Project").

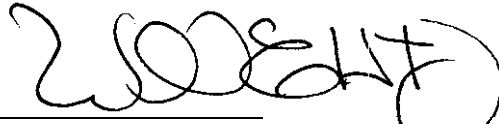
As set forth in the enclosed resolution, the Authority has agreed to issue its Bonds as requested. The Authority has held a meeting on the proposed financing of the Project and has recommended that the City Council approve the issuance of the Bonds as required by Section 147(f) of the Internal Revenue Code of 1986, as amended, and Section 15.2-4906 of the Code of Virginia of 1950, as amended.

Attached hereto is a copy of the Applicant's application for financing and (1) a certificate evidencing the conduct of the meeting and the action taken by the Authority (2) the Fiscal Impact Statement required pursuant to Virginia Code Section 15.2-4907, and (3) the form of resolution suggested by counsel to evidence your approval.

Honorable Mayor and Members of the  
Council of the City of Lynchburg  
November 1 I, 2002  
Page 2

It is requested that consideration of the proposed Council Resolution be placed on the Council agenda for the meeting scheduled for November 26, 2002. If requested to do so, a representative of the Authority will be present at the meeting.

Respectfully submitted,



\_\_\_\_\_  
Secretary, Industrial Development Authority  
of the City of Lynchburg, Virginia

ahd

cc: Walter C. Erwin, Esquire  
City Attorney

Mr. G. Edward Miller, Director  
Office of Economic Development



10. If a partnership, give names and residence addresses of all present partners and indicate whether general or limited:

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11. If applicant is a joint venture or other business entity (other than a corporation or partnership), describe and give names and residence addresses of all principals: N/A

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12. If applicant proposes to undertake the facility sought to be financed through a subsidiary corporation, a new corporation, or other entity to be formed by applicant, give details: N/A

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13. If applicant intends to lease the facility to some other corporation or entity or if some other entity is to otherwise occupy and use the facility, so state and give the full proper name of such entity, its principal place of business and if a corporation, the state of incorporation. N/A

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Lessee's Tax I.D. No.: N/A

## **Section 2**

### **Information concerning Facility Sought to be Financed**

1. Type of facility: (a) industrial \_\_\_\_\_; (b) facility for commercial enterprise x; (c) parking facility \_\_\_\_\_; (d) pollution control facility \_\_\_\_\_; (e) multi-state, regional or national headquarters or operations center \_\_\_\_\_; (f) facility for the residence and care of the aged \_\_\_\_\_; (g) facility for private accredited and non-profit institutions of collegiate education \_\_\_\_\_ (h) other \_\_\_\_\_, if so, describe \_\_\_\_\_
2. Indicate whether facility sought to be financed is a (a) new facility \_\_\_\_\_; (b) existing facility \_\_\_\_\_; or (c) addition to or modification of existing facility x.
3. Type of business or activity to be conducted and purpose of facility sought to be financed. Explain proposed use of facility by applicant and/or others and, if a manufacturing plant, the type of products to be manufactured.

In November of 1981, the Industrial Development Authority of the City of Lynchburg, VA  
issued its \$1,000,000 Industrial Development Revenue Bonds to finance additional processing  
equipment, production equipment and support equipment to increase the capacity of the  
Westover Dairy by 25%. See Exhibit A for further details.

- 4 Specific site location, including street number, if available and approximate acreage or size of site:  
Westover Dairy, 2801 Fort Avenue, Lynchburg, VA 24501; 6.5 acres; 71,000 square feet  
\_\_\_\_\_  
\_\_\_\_\_
5. General description of proposed facility (describe type of construction, square footage, amount for each operation such as manufacturing, storage, office, etc.): T h e \_\_\_\_\_  
the outstanding \$1,000,000 Industrial Development Refunding Revenue Bonds used to finance  
the equipment described in Question 3 above. No new facilities shall be constructed and no  
equipment shall be acquired.
- 6 Name and address of architect, if retained:  
N/A Telephone No. ( )  
\_\_\_\_\_  
\_\_\_\_\_
7. Give name of present owner(s) of site: T h e Kroger Co.  
\_\_\_\_\_  
\_\_\_\_\_
8. If an existing facility (a) what is its present use? Commercial Dairy  
\_\_\_\_\_; (b) number of regular employees presently  
employed on a year round basis 107; and (c) average annual salary per such employee \$ 32,619.
9. If applicant is not the present owner of the site, state what, if anything, has been done concerning the location and acquisition of a site by or on behalf of the applicant. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
10. State the present zoning classification of the site under the Zoning Ordinance of the City of Lynchburg:  
B-5 General Business
11. Is a zoning change required? YES \_\_\_\_\_ NO x If yes, state the zoning classification required: \_\_\_\_\_
12. Estimated number of regular employees to be employed on year round basis after acquisition or completion of facility: 107
13. Average annual salary per such employee: \$ 32,619
14. If application is approved by the Authority, when would applicant anticipate issuance of bonds and work on the facility started? issuance of bonds is expected to occur on August 1, 2002

### Section 3

#### Cost of Facility and Financing

1. Estimated total cost of proposed facility: refunding amount shall equal \$1,000,000
2. Maximum amount of financing sought through the Authority: \$ 1,000,000
3. Items of cost to be paid from Authority financing (i.e., land, building, equipment, legal, etc.):  
refunding of 1991 Bonds (See SECTION 1, Question 3 for details on those bonds) and costs of  
issuance, including, without limitation, legal fees, credit enhancements and fees associated with  
host approval
4. If financing is approved, does applicant expect the Authority bonds to be sold by (a) private placement \_\_\_\_\_; or (b) public offering x.
5. If by private placement, has applicant received a commitment or other assurance from a bank or others with respect to the sale of the bonds? YES \_\_\_\_\_; NO \_\_\_\_\_ Elaborate: N / A  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6. If by public offering, name and address of underwriter(s) desired:

Name	Mailing Address
<u>Thornton Farish Inc.</u>	<u>2511 Fairlane Drive</u>
<u>(Scott Bamman)</u>	<u>-</u>
	Telephone No. <u>(334) 270-8555</u>

7. Name and address of bond counsel desired:

Name	Mailing Address
<u>Peck, Shaffer &amp; Williams LLP</u>	<u>201 E. Fifth Street, Suite 900</u>
<u>(Abbot A Thayer, Esq./Brad Ruwe, Esq.)</u>	<u>Cincinnati, Ohio 45202</u>
	Telephone No. <u>(513) 621-3194</u>



## Section

### **Tax Information**

1. State the current assessed value for real estate tax purposes of the land comprising the site and existing improvements thereon.  

Land	\$ _____
Improvements	\$ _____
TOTAL	\$ _____
2. Current yearly real property tax on the proposed site: \$ 23,946
3. Estimated taxable value of the facility's real property (buildings and improvements) to be constructed: \$ N/A
4. Estimated real property tax per year with respect to the facility when completed (buildings and improvements) using present City of Lynchburg tax rates: \$ 23,946
5. Estimated personal property tax per year with respect to the facility when completed, using present City of Lynchburg tax rates: \$ 85,152
6. Estimated merchants' capital tax per year with respect to the facility when completed, using present tax rates; \$ Unknown
7. Estimated business license tax per year with respect to the facility when completed and in use, using present City of Lynchburg license tax rates: \$ \_\_\_\_\_
8. Estimated dollar value per year of goods and services that will be purchased locally by applicant or other users of the facility: \$ See attached

## **Section 5**

### **Inducement**

1. Explain how the requested financing by the Authority will enable or induce applicant to locate in or remain in the City of Lynchburg and the Commonwealth of Virginia? \_\_\_\_\_  
\_\_\_\_\_  
The acquisition of the equipment enabled The Kroger Co. to increase the capacity of its \_\_\_\_\_  
Westover Dairy through the purchase of additional equipment. \_\_\_\_\_  
The refinancing of the 1991 Bonds used to acquire such equipment will enable The Kroger Co \_\_\_\_\_  
to realize interest cost savings, contributing to efficient and cost effective business operations \_\_\_\_\_  
and the financial viability of the dairy operation \_\_\_\_\_  
\_\_\_\_\_

## **EXHIBIT A**

The specific equipment acquired included,

- 9 H.T.ST. System and Piping
- 9 Silo – 50,000 gallon capacity
- 9 Skim Tank (Replacement)
- 9 Blow Mold – Six (6) wide
- 9 Refrigeration Compressor
- Air Compressor
- 9 Glycol Chiller
- 9 Evaporative Condenses & Support
- 9 Cash Wash Line
- 9 Electrical Transformer

In October of 1991, the Industrial Development Authority of the City of Lynchburg, VA issued its \$1,000,000 Industrial Development Refunding Revenue Bonds (The Kroger Co.) to refund the previous issue of bonds.

It is understood and agreed by the Applicant, as evidenced by the execution and filing hereof, that Applicant (a) will, upon the filing of this application, pay to the Authority non-refundable fees and advances in the total amount of \$650.00, which includes (i) \$250.00 application fee, (ii) \$150.00 advance against costs of advertisement of public hearing, copying and other incidental costs, and (iii) a \$250.00 advance against the Authority's Counsel fees and, in addition, (b) till pay, when billed, all other costs and expenses of the Authority, including the reasonable fees of its counsel, with respect to this application and any Authority or Lynchburg City Council meetings held in connection therewith.

Applicant also understands and agrees that in the event the Authority approves the application and adopts an inducement resolution and/or enters into an inducement contract with respect thereto and thereafter authorizes the issuance of its bonds or notes to finance a facility on behalf of the Applicant, all costs of the Authority in connection with any such issue, including the reasonable fees of its counsel and hood counsel, will be paid either from the proceeds of the issue or directly by the Applicant or, if such bonds or notes are not issued for any reason, then directly by the Applicant.

The Applicant understands that the approval or disapproval of this application is within the discretion of the Authority and that if approved by the Authority the requested financing will also have to be approved by the City Council of the City of Lynchburg and a proper allocation (bond issuing authority) made to the Authority for the issuance of such bonds or notes under the state limit for the issuance of such bonds or notes as provided in Section 103 of the Internal Revenue Code of 1954, as amended, and the regulations issued thereunder, and as provided by any applicable state legislation, executive order, administrative rules or regulations; that the Authority and/or City Council may require additional financial and other information from the Applicant; that the Authority reserves the right to approve or disapprove bond counsel with respect to each issue; that if this application is approved and Authority bonds or notes are thereafter issued all financing documents shall be in form and substance satisfactory to the Authority, its counsel and bond counsel for the issue and shall include provision satisfactory to the Authority and its counsel with respect to indemnifying the Authority and payment by Applicant to the Authority of an annual payment to be applied to the Authority's general operating and audit expense while such bonds or notes are outstanding; and that if the Authority adopts an inducement resolution and/or enters into an Inducement contract with respect to the issuance of bonds or notes on behalf of Applicant and thereafter before the issuance of its bonds or notes determines (1) that any material information furnished the Authority or the City Council by or on behalf of the Applicant is false or misleading, or (2) if after the adoption of such resolution the proposed financing is not thereafter approved by the City Council of the City of Lynchburg or a proper allocation of bond issuing authority is not made, or (3) if approved by the Authority and the City Council and a Proper allocation of bond issuing authority is made, Applicant has not, within the calendar year or other period of time with respect to which the bond issuing authority is made applicable, made all necessary arrangements required of it with respect to the issuance and sale of the bonds or notes and the undertaking of the facility to be financed thereby, or if for any other reason the bonds or notes have not been issued within any such applicable time period, the Authority, in any such event, reserves and shall have the right in its sole discretion to revoke or rescind such inducement resolution and/or inducement contract which the Authority has entered into with the Applicant, after not less than ten (10) days written notice of the Authority's intention So to do, addressed and mailed to the Applicant at its address given in this Application.

Respectfully submitted this 11<sup>th</sup> day of SEPTEMBER, 20 02.

Jeff M. Felt  
\_\_\_\_\_  
TITLE: MANAGER OF FINANCE & ASSISTANT  
TREASURER

## CERTIFICATE

The undersigned Secretary of the Industrial Development Authority of the City of Lynchburg, Virginia (the "Authority") certifies as follows:

1. A meeting of the Authority was duly called and held on October 31, 2002 at 8:30 a.m. in the Conference Room of the Office of Economic Development, 2<sup>nd</sup> Floor, City Hall, Church Street, Lynchburg, Virginia, pursuant to proper notice given to each Director of the Authority before such meeting. The meeting was open to the public. The time of the meeting and the place at which the meeting was held provided a reasonable opportunity for persons of differing views to appear and be heard.

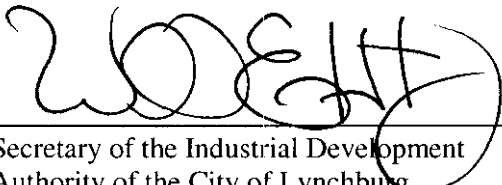
2. The names of the individuals who appeared and addressed the Authority, along with a summary of their statements is attached as Exhibit A hereto.

3. It was not necessary to hold a public hearing required under Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), as provided for under Section 147(f)(2)(D) of the Code.

4. Exhibit B is a true, correct and complete copy of a resolution (the "Resolution") adopted at the meeting of the Authority by a majority of the Directors present at the meeting. The Resolution constitutes all formal action taken by the Authority at the meeting relating to matters referred to in the Resolution. The Resolution has not been repealed, revoked, rescinded or amended and is in full force and effect.

Date: October 31, 2002

[SEAL]

  
\_\_\_\_\_  
Secretary of the Industrial Development  
Authority of the City of Lynchburg,  
Virginia

Exhibits:

A-Summary of Statements  
B -Inducement Resolution

**SUMMARY OF STATEMENTS MADE AT  
SPECIAL MEETING OF THE  
INDUSTRIAL DEVELOPMENT AUTHORITY OF  
THE CITY OF LYNCHBURG, VIRGINIA  
ON OCTOBER 31, 2002, WITH RESPECT TO THE APPLICATION OF  
THE KROGER CO. FOR AUTHORITY FINANCING**

The Chairman asked Mr. Craddock to report on The Kroger Co. project. Mr. Craddock reminded the Authority that the Authority has issued its Industrial Development Revenue Bonds in 1981 to finance the purchase of equipment for the Westover Dairy project. The Authority had refunded these bonds in 1991. The Kroger Co. has filed an application with the Authority which requests a refunding of the 1991 bonds to allow the dairy project to realize interest cost savings contributing to efficient and cost effective business operations and the financial viability of the Westover Dairy operation. Mr. Craddock introduced Mr. John J. Reutter, Plant Engineer for The Kroger Co. Mr. Reutter reviewed with the Directors the application for Authority financing. He advised the Directors that the Kroger dairy employed 107 fulltime employees and processed 108,000,000 gallons of milk per month at the Kroger Westover Dairy, which is one of the smallest of the Kroger dairies. Milk from Pennsylvania and New Jersey to Georgia and Tennessee and the states in between is processed at this dairy. Mr. Reutter stated that this dairy was one of the most cost-effective in the Kroger system because of its stable workforce.

Mr. Craddock reminded the Directors that because the bonds being refunding had been issued after a public hearing, that the Internal Revenue Code did not require a public hearing.

The Directors then considered a Resolution of the Authority authorizing the issuance of the bonds not to exceed \$1,000,000 of the Authority Industrial Development Revenue Bonds to refund the prior issue. On motion duly made by Mr. Davenport, seconded by Mr. Gough, the Directors present unanimously adopted the resolution with the following voting:

Aye:        Robert E. Clarke  
              J. Robert Davenport  
              Frank R. Gough  
              William E. Hunt, Jr.  
              Massie G. Ware, Jr.  
              John A. Watts, Jr.

Nay:        None

Absent:     George P. Ramsey, Jr.

RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY  
OF THE CITY OF LYNCHBURG, VIRGINIA  
AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$1,000,000  
INDUSTRIAL DEVELOPMENT REVENUE REFUNDING BONDS TO  
REFUND A PRIOR ISSUE OF BONDS, THE PROCEEDS OF WHICH SHALL BE USED TO  
REFINANCE A COMMERCIAL DAIRY LOCATED IN THE CITY OF LYNCHBURG, VIRGINIA

WHEREAS, the Industrial Development Authority of the City of Lynchburg, Virginia, a political subdivision of the Commonwealth of Virginia (the "Authority"), is empowered by the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia, as amended (the "Act"), to issue its revenue bonds to induce the location of industrial and commercial facilities in Virginia, to promote the commerce, safety, health, welfare, convenience or prosperity of citizens of Virginia and to retire revenue bonds previously issued by the Authority;

WHEREAS, the Authority has received a request from The Kroger Co., an Ohio corporation (the "Company"), requesting that the Authority issue its industrial development revenue refunding bonds to currently refund the outstanding principal amount of the Authority's \$1,000,000 Industrial Development Revenue Refunding Bonds (The Kroger Co.), Series 1991, dated as of October 1, 1991 (the "Prior Bonds"), the proceeds of which were used to currently refund the outstanding principal amount of the Authority's \$1,000,000 Industrial Development Revenue Bonds (The Kroger Co. Project), dated as of November 15, 1981, the proceeds of which were used to assist in financing and the equipping of a commercial dairy (the "Project"), located in the City of Lynchburg, Virginia;

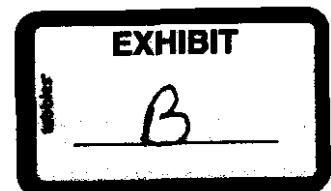
WHEREAS, such assistance will induce the Company to maintain the Project in Virginia and thereby benefit the inhabitants of the City of Lynchburg, Virginia and the Commonwealth of Virginia, either through the increase of their commerce or through the promotion of their safety, health, welfare, convenience or prosperity;

WHEREAS, preliminary plans for the current refunding of the Prior Bonds have been described to the Authority and a public hearing was held on August 22, 1991, as required by applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code") and Section 15.2-4906 (formerly Section 15.1-1378.1 of the Act); and

WHEREAS, the Company has represented that the estimated cost of refunding the Prior Bonds will require an issue of industrial development revenue refunding bonds in the original aggregate principal amount not to exceed \$1,000,000.

NOW, THEREFORE, BE IT RESOLVED BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF LYNCHBURG, VIRGINIA:

1. It is hereby found and determined that the refunding of the Prior Bonds to refinance the Project will be in the public interest and will promote the commerce, safety, health, welfare, convenience or prosperity of the Commonwealth of Virginia, the City of Lynchburg, Virginia and their citizens.



2. To induce the Company to maintain the Project in the Commonwealth of Virginia, and particularly in the City of Lynchburg, Virginia, the Authority hereby agrees to assist the Company in refunding the Prior Bonds in order to refinance the Project by undertaking the issuance of its industrial development revenue refunding bonds in an amount not to exceed \$1,000,000 upon terms and conditions mutually agreeable to the Authority and the Company. The bonds will be issued pursuant to documents satisfactory to the Authority. The bonds may be issued in one or more series at one time or from time to time.

3. It having been represented to the Authority that it is necessary to proceed immediately with the refunding of the Prior Bonds, the Authority hereby agrees that the Company may proceed with plans for the refunding of the Prior Bonds, and take such steps as it may deem appropriate in connection therewith, provided, however, that nothing herein shall be deemed to authorize the Company to obligate the Authority without its consent in each instance to the payment of any moneys or performance of any acts in connection with the refunding of the Prior Bonds. The Authority agrees that the Company may be reimbursed from proceeds of the bonds for all expenditures and costs so incurred by it, provided such expenditures and costs are properly reimbursable under the Act and applicable federal law.

4. At the request of the Company, the Authority hereby approves Peck, Shaffer & Williams LLP, Cincinnati, Ohio, as Bond Counsel in connection with the issuance of the bonds.

5. All costs and expenses in connection with the issuance of the bonds and the refunding of the Prior Bonds, including the fees and expenses of Bond Counsel and Authority Counsel, shall be paid by the Company or, to the extent permitted by applicable law, from the proceeds of the bonds. If for any reason such bonds are not issued, it is understood that all such expenses shall be paid by the Company and that the Authority shall have no responsibility therefore.

6. The Authority hereby recommends that the City Council of the City of Lynchburg, Virginia, approve the issuance of the bonds.

7. This resolution shall remain in full force and effect until the next regularly scheduled meeting of the Authority occurring two years after the date of this resolution at which time it shall terminate, unless specifically extended by the Authority.

8. No bonds may be issued pursuant to this resolution until such time as the issuance of the bonds has been approved by the City Council of the City of Lynchburg, Virginia.


9. This resolution shall take effect immediately upon its adoption.

CERTIFICATE

The undersigned Secretary of the Industrial Development Authority of the City of Lynchburg, Virginia (the "Authority") hereby certifies that the foregoing is a true, correct and complete copy of a resolution adopted by a majority of the Directors of the Authority present and voting at a meeting duly called and held on October 31, 2002, in accordance with law, and that such resolution has not been repealed, rescinded or amended but is in full force and effect on the date hereof.

WITNESS the following signature and seal of the Authority this 31st day of October, 2002.



  
Secretary of the Industrial Development  
Authority of the City of Lynchburg,  
Virginia



Facility Name  
Address  
City, State

Westover Dairy  
2801 Fort Ave  
Lynchburg, Va 24501

POC  
Phone  
e-mail

Roger Miller  
(434)528-2583  
[rmiller7@kroger.com](mailto:rmiller7@kroger.com)

1. Maximum amount of Financing Sought 1,000,000.00
2. Estimated taxable value of the Facility's Real property to be constructed in the locality N/A
3. Estimated Real property Tax per year using present tax \$23,946
4. Estimated Personal property Tax per year using present tax rates \$85,152
5. Estimated merchants' capital tax per using present tax rates UNKNOWN
- 6a. Estimated dollar value per year of goods that will be purchased from Virginia companies within the locality \$27,118,000 raw milk purchased from Virginia farms but paid to Coop in Tennessee.
- 6b. Estimated dollar value per year of goods that will be purchased from Non-Virginia companies within the locality \$6,544,941
- 6c. Estimated dollar value per year of services that will be purchased from Virginia within the locality \$473,931
- 6d. Estimated dollar value per year of services that will be purchased from Non-Virginia within the locality \$3,733,958
7. Estimated number of regular employee on year round basis 107
8. Average annual salary per employee \$32,619

Required information